

## **The complaint**

Mr M complains about Revolut Ltd.

He says that Revolut didn't do enough to protect him when he fell victim to a cryptocurrency investment scam and would like it to refund the money he has lost.

## **What happened**

Mr M came across an advert online for investing in cryptocurrency supposedly endorsed by the BBC.

Mr M followed the link to the company website which seemed professional and submitted an enquiry form. He was then contacted by phone and was persuaded to invest. Mr M was provided with access to an online portal where he could 'see' his money, and assigned an account manager.

Mr M's investments seemed to be doing well, so he tried to make a withdrawal, but then his funds suddenly started depleting and Mr M began to worry. His account manager said that his funds could easily be recouped, and advised him to take out a loan, or receive a bonus for recruiting friends. Mr M then spoke with his son about what was happening, and his son checked reviews online which uncovered the scam.

In total, Mr M made payments of £3,806.23, and received £743.78, leaving a loss of £3,062.45.

Mr M then complained to Revolut about what had happened, but it didn't uphold his complaint, so he brought it to this Service.

Our Investigator looked into things, and initially thought that the complaint should be upheld in part. Mr M accepted this, but Revolut did not and asked the Investigator to consider some points it made.

After reviewing the complaint again, our Investigator then changed their view, and said that the complaint shouldn't be upheld after all.

Mr M asked for an Ombudsman to make a final decision, so the complaint has been passed to me.

## **What I've decided – and why**

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've decided not to uphold this complaint, for broadly the same reasons as our Investigator.

It isn't in dispute here that Mr M has been the victim of a scam and has lost money as a

result. However, even when it is clear that a scam has taken place, and an individual has been tricked out of their money, it doesn't necessarily follow that a business will need to refund the money that has been lost.

In broad terms, the starting position at law is that an Electronic Money Institution ("EMI") such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer's account.

But, taking into account relevant law, regulators rules and guidance, relevant codes of practice and what I consider having been good industry practice at the time, I consider it fair and reasonable in January 2024 that Revolut should:

- Have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- Have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud (among other things). This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- Have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- In some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- Have been mindful of – among other things – common scam scenarios, how the fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

In this case, I need to decide whether Revolut acted fairly and reasonably in its dealings with Mr M when he authorised payments from his account or whether it could and should have done more before processing them.

I am aware that Revolut did contact Mr M about two payments he attempted shortly after the account was opened (which ultimately did not debit his account) to a crypto exchange, and that Revolut asked him some questions about this – including if he was being guided and what the payment was for. I don't think it needed to go any further than it did here, and ultimately, the payments were cancelled.

Further to this, I am not persuaded that any of the individual transactions that debited Mr M's account were large or suspicious enough for Revolut to have had any concerns that Mr M may have been at risk of financial harm. The individual payments were low (although I accept that the loss has been significant to Mr M) and while the payments could be linked to crypto, not every payment like this is as a result of a fraud, and Revolut cannot be expected to intervene in every such payment.

I am very sorry that Mr M has lost money as part of a scam, but the loss he has suffered here has been caused by the scammer, not Revolut. And I can't ask it to refund him when I don't think that it has done anything wrong.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 28 May 2025.

Claire Pugh  
**Ombudsman**